10b Agreement among Bell Atlantic Network Services, Inc. and the telephone subsidiaries, dated November 7, 1983. (Exhibit 10i to Bell Atlantic 1983 Form 10-K).

24 Consent of Coopers & Lybrand.

25 Powers of Attorney.

(b) Reports on Form 8-K:

No Form 8-K was filed by the registrant during the quarter ended December 31, 1991.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CHESAPEAKE AND POTOMAC TELEPHONE
COMPANY OF WEST VIRGINIA

By /s/ Edward F. Morton
Edward F. Morton
(Controller)

March 26, 1992

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Principal Executive Officer:

David E. Berry — President and Chief Executive Officer

Principal Financial Officer and Controller:

Edward F. Morton — Controller

Directors:
Neil S. Bucklew
David E. Berry
William C. Campbell
David K. Hall
Wilbur S. Jones, Jr.
Russell L. Isaacs
Lacy I. Rice, Jr.

By /s/ Edward F. Morton
Edward F. Morton
(individually and as
attorney-in-fact)
March 26, 1992

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF WEST VIRGINIA

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

Financial statement schedules other than those listed above have been omitted either because the required information is contained in the financial statements and the notes thereto, or because such schedules are not required or applicable.

REPORT OF MANAGEMENT

The management of The Chesapeake and Potomac Telephone Company of West Virginia is responsible for the financial statements and the information and representations contained in this report. Management believes that the financial statements have been prepared in conformity with generally accepted accounting principles and that the other information in this annual report is consistent with those statements. Management is required to include in the financial statements amounts, primarily related to matters not concluded by year-end, that are based on management's best estimates and judgments.

In meeting its responsibility for the financial statements of the Company, management maintains a strong internal control structure, including the appropriate control environment, accounting systems and control procedures. The internal control structure is designed to provide reasonable assurance that assets are safeguarded from unauthorized use or disposition, that transactions are properly recorded and executed in accordance with management's authorization and that the financial records permit the preparation of reliable financial statements. There are, however, inherent limitations that should be recognized in considering the assurances provided by the internal control structure. The concept of reasonable assurance recognizes that the costs of the internal accounting control structure should not exceed the benefits to be derived. The internal control structure is reviewed and evaluated on a regular basis. Compliance is monitored by the internal auditors through an annual plan of internal audits.

The Board of Directors pursues its review and oversight role for the financial statements through an Audit Committee composed of three outside directors. The duties of the Audit Committee include recommending to the Board of Directors the appointment of an independent accounting firm to audit the financial statements of the Company. The Audit Committee meets periodically with management and the Board of Directors. It also meets with representatives of the internal and independent auditors and reviews the work of each to ensure that their respective responsibilities are being carried out and to discuss related matters. Both the internal and independent auditors have direct access to the Audit Committee.

The financial statements of the Company have been audited by Coopers & Lybrand, independent accountants, whose report is included on the following page.

Edward F. Morton
Controller

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowner of
The Chesapeake and Potomac Telephone Company of West Virginia

We have audited the financial statements and the financial statement schedules of The Chesapeake and Potomac Telephone Company of West Virginia as listed on page F-1 of this Form 10-K. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chesapeake and Potomac Telephone Company of West Virginia as of December 31, 1991 and 1990, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1991, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

As discussed in Notes 1 and 7 to the financial statements, the Company changed its method of accounting for postretirement benefits other than pensions in 1991.

/s/ COOPERS & LYBRAND

Washington, D.C.
February 5, 1992

STATEMENTS OF INCOME AND REINVESTED EARNINGS

	Dollars in Thousands		
	For The Years Ended December 31,		
	1991	1990	1989
OPERATING REVENUES			
Local service	$264,128	$253,459	$237,809
Network access	153,365	144,271	137,800
Toll service	89,736	99,138	103,044
Directory advertising, billing services and other	46,340	47,930	42,384
Provision for uncollectibles	(3,939)	(3,783)	(3,055)
	549,630	541,015	517,982
OPERATING EXPENSES			
Employee costs, including benefits and taxes	124,398	125,042	133,427
Depreciation and amortization	106,964	107,276	102,264
Taxes other than income	26,707	24,489	24,042
Other	162,058	156,183	143,581
	420,127	412,990	403,314
Net operating revenues	129,503	128,025	114,668
OPERATING INCOME TAXES			
Federal	25,839	27,762	19,771
State	12,210	12,197	11,651
	38,049	39,959	31,422
Operating income	91,454	88,066	83,246
OTHER INCOME (EXPENSE)			
Allowance for funds used during construction	778	1,556	1,832
Miscellaneous - net	(607)	(873)	(273)
	171	683	1,559
INTEREST EXPENSE	23,354	24,652	26,997
INCOME BEFORE EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	68,271	64,097	57,808
EXTRAORDINARY ITEM			
Loss on early extinguishment of debt (net of income tax benefit of $1,933)	-	-	(2,863)
CU[redacted] IN AC[redacted] Tr[redacted]ange in Ac[redacted]irement Bene[redacted]on (net of in[redacted]	(69,964)	-	-
NET INCOME (LOSS)	$ (1,693)	$ 64,097	$ 54,945
REINVESTED EARNINGS			
At beginning of year	$108,268	$ 94,197	$ 97,076
Add: Net (loss) income	(1,693)	64,097	54,945
	106,575	158,294	152,021
Deduct: Dividends	68,700	50,000	57,787
Other changes	-	26	37
At end of year	$ 37,875	$108,268	$ 94,197

The accompanying notes are an integral part of these financial statements.

BALANCE SHEETS

	Dollars in Thousands	
	December 31, 1991	December 31, 1990
ASSETS		
CURRENT ASSETS		
Cash	$ 351	$ -
Accounts receivable:		
Customers and agents, net of allowances for uncollectibles of $2,756 and $1,610	65,652	68,505
Affiliate	2,821	3,382
Other	2,153	8,059
Material and supplies	3,153	4,217
Prepaid expenses	4,247	3,231
Deferred income taxes	7,879	6,386
Deferred charges	15,480	10,121
	101,736	103,901
PLANT, PROPERTY AND EQUIPMENT - at cost		
In service	1,489,526	1,470,566
Under construction and other	17,034	14,888
	1,506,560	1,485,454
Accumulated depreciation	(555,039)	(541,828)
	951,521	943,626
DEFERRED CHARGES AND OTHER ASSETS	14,944	18,737
TOTAL ASSETS	$1,068,201	$1,066,264

The accompanying notes are an integral part of these financial statements.

BALANCE SHEETS

	Dollars in Thousands	
	December 31, 1991	December 31, 1990
LIABILITIES AND SHAREOWNER'S INVESTMENT		
CURRENT LIABILITIES		
Debt maturing within one year:		
Affiliate	$ 33,320	$ 31,946
Other	166	165
Accounts payable:		
Parent and affiliates	19,684	21,573
Other	40,451	36,491
Accrued expenses:		
Vacation pay	9,729	9,753
Interest	6,248	6,462
Taxes	9,052	10,986
Other	11,883	12,730
Advance billing and customer deposits	13,597	13,302
	144,130	143,408
LONG-TERM DEBT	263,904	264,311
DEFERRED CREDITS		
Deferred income taxes	109,127	154,938
Unamortized investment tax credits	33,579	39,625
Employee benefit obligations	129,305	8,970
Other	4,142	4,077
	276,153	207,610
CONTINGENCIES		
SHAREOWNER'S INVESTMENT		
Common stock - one share, without par value, owned by parent	340,482	340,482
Contributed capital	5,657	2,185
Reinvested earnings	37,875	108,268
	384,014	450,935
TOTAL LIABILITIES AND SHAREOWNER'S INVESTMENT	$1,068,201	$1,066,264

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

	Dollars in Thousands		
	For the Years Ended December 31,		
	1991	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (1,693)	$ 64,097	$ 54,945
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	106,964	107,276	102,264
Cumulative effect of change in accounting principle	69,964	-	-
Provision for uncollectibles	3,939	3,783	3,055
Allowance for funds used during construction	(778)	(1,556)	(1,832)
Other items, net	60	86	4,868
Changes in certain assets and liabilities:			
Accounts receivable	2,821	(5,416)	(8,499)
Material and supplies	3,265	(662)	(1,144)
Prepaid expenses	(1,413)	1,030	(440)
Deferred charges and other	(2,413)	(6,039)	(1,822)
Accounts payable and accrued expenses	11,127	14,717	22,916
Advanced billing and customer deposits	295	330	(2)
Deferred income taxes	(1,007)	1,039	4,194
Unamortized investment tax credits	(6,046)	(4,253)	(3,492)
Other liabilities	651	(1,089)	2,513
Net cash provided by operating activities	185,736	173,343	177,524
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to plant, property and equipment	(113,634)	(108,109)	(106,013)
Other plant related changes	(4,220)	(4,304)	(86)
Net cash used in investing activities	(117,854)	(112,413)	(106,099)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Additions to long-term debt	-	-	50,000
Repayments of long-term debt	-	-	(52,580)
Principal payments on capital leases	(205)	(167)	(167)
Net changes in short-term debt	-	-	(48,100)
Repayments of other short-term debt	-	-	(5,500)
Net change in advance from affiliate	1,374	(10,763)	42,709
Dividends paid	(68,700)	(50,000)	(57,787)
Net cash used in financing activities	(67,531)	(60,930)	(71,425)
INCREASE IN CASH	351	-	-
CASH, BEGINNING OF YEAR	-	-	-
CASH, END OF YEAR	$ 351	$ -	$ -

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

BASIS OF PRESENTATION - The Chesapeake and Potomac Telephone Company of West Virginia (the Company), a wholly-owned subsidiary of Bell Atlantic Corporation (Bell Atlantic), maintains its accounts in accordance with the Uniform System of Accounts (USOA) prescribed by the Federal Communications Commission (FCC) and makes certain adjustments necessary to present the accompanying financial statements in accordance with generally accepted accounting principles applicable to regulated entities. Such principles differ in certain respects from those used by unregulated entities, but are required to appropriately reflect the financial and economic impacts of regulation and the ratemaking process. Significant differences resulting from the application of these principles are disclosed elsewhere in these Notes to Financial Statements where appropriate.

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

The Company makes certain payments by draft and records such drafts as accounts payable until such time as the banks have presented them for payment.

MATERIAL AND SUPPLIES - New and reusable materials are carried in inventory principally at average original cost, except that specific costs are used in the case of large individual items. Nonreusable material is carried at estimated salvage value.

PLANT AND DEPRECIATION - The Company's provision for depreciation is based principally on the remaining life method of depreciation and straight-line composite rates. This method provides for the recovery of the remaining net investment in telephone plant, less anticipated net salvage value, over the remaining service lives authorized by federal and state regulatory authorities. Depreciation expense also includes amortization of certain classes of telephone plant and certain identified depreciation reserve deficiencies over periods authorized by regulatory authorities.

When depreciable plant is replaced or retired, the amounts at which such plant has been carried in plant, property and equipment accounts are removed from the respective accounts and charged to accumulated depreciation, and any gains or losses on disposition are amortized over the remaining service lives of the remaining net investment in telephone plant.

MAINTENANCE AND REPAIRS - The cost of maintenance and repairs of plant, including the cost of replacing minor items not constituting substantial betterments, is charged to operating expense.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION - Regulatory authorities allow the Company to record an allowance for funds used during construction, which includes both interest and equity return components, as a cost of plant and as an item of other income. Such income is not recovered in cash currently but will be recoverable over the service life of the plant through higher depreciation expense recognized for regulatory purposes.

EMPLOYEE RETIREMENT BENEFITS:

PENSION PLANS - Substantially all employees of the Company are covered under noncontributory multiemployer retirement plans sponsored by Bell Atlantic and its subsidiaries, including the Company. Amounts contributed to the Company's pension plans are actuarially determined under the aggregate cost method, and are subject to applicable federal income tax regulations.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS - Effective January 1, 1991, the Company adopted Statement of Financial [illegible] 06, "Employers' Accounting for Postretirement [illegible] Than Pensions" (Statement No. 106). Statement No. 106 [illegible] all postretirement benefits other than pensions. [illegible] method, the Company's obligation for these [illegible] fully accrued by the date the employees attain full [illegible] benefits. Prior to the adoption of Statement [illegible] benefits for management retirees was recognized by [illegible] expense as they were incurred. The cost of [illegible] future associ[illegible] cost [illegible] was also recognized as determined under the [illegible].

The Company [illegible] employees. [illegible] the a[illegible] method and are limited to amounts permit[illegible] Inter[illegible] rules for determining tax-deductible con[illegible]ions.

The Company [illegible] life insurance benefits that is determined [illegible].

INCOME TAXES - Bell Atlantic and its domestic subsidiaries, including the Company, file a consolidated federal income tax return. The consolidated income tax currently payable is allocated in accordance with each subsidiary's contribution to consolidated taxable income and tax credits.

Certain of the Company's revenue and expense measurement policies used for financial accounting purposes differ from those used for income tax purposes. Deferred income taxes are provided for such differences to the extent permitted for ratemaking purposes.

The Tax Reform Act of 1986 repealed the investment tax credit (ITC) as of January 1, 1986, subject to certain transitional rules. Realized ITCs were deferred and are being amortized to income over the estimated service lives of the related assets.

RECLASSIFICATIONS - Certain reclassifications of prior years' data have been made to conform to 1991 classifications.

(2) LONG-TERM DEBT

Long-term debt consists principally of debentures issued by the Company. Interest rates and maturities of the amounts outstanding at December 31 are as follows:

	Dollars in Thousands 1991	1990
Forty year 5.00%, due 2000	$ 25,000	$ 25,000
Forty year 7.25%, due 2009	40,000	40,000
Forty year 7.25%, due 2013	50,000	50,000
Forty year 9.00%, due 2015	50,000	50,000
Forty year 9.25%, due 2019	50,000	50,000
Forty year 8.40%, due 2029	50,000	50,000
	265,000	265,000
Capital lease obligations, average rate 10.30% and 10.76%	364	814
Unamortized discount and premium - net	(1,294)	(1,338)
	264,070	264,476
Less maturing within one year	166	165
Total	$263,904	$264,311

Long-term debt outstanding at December 31, 1991 includes approximately $215,000,000 which is callable by the Company. The call prices of these debentures range from 105.3% to 100.7% of face value, depending on the remaining life to maturity of the issue. In addition, long-term debt includes approximately $50,000,000 which will become redeemable only on October 15, 1996 at the option of the security holder. The redemption price of these debentures will be 100.0% of face value plus accrued interest.

As of December 31, 1991, the Company has an outstanding shelf registration which was filed with the Securities and Exchange Commission on October 26, 1989 for the issuance of up to $50,000,000, of its debt securities.

(3) DEBT MATURING WITHIN ONE YEAR

Debt maturing within one year consists of the following at December 31:

	Dollars in Thousands			Weighted Average Interest Rates		
	1991	1990	1989	1991	1990	1989
Note payable - affiliate...	$33,320	$31,946	$42,709	5.02%	7.89%	9.48%
Capital lease obligations..	166	165	168			
Total..................	$33,486	$32,111	$42,877			
Average amounts of notes payable outstanding during the year*................	$31,754	$35,437	$41,367	6.08%	8.26%	9.24%
Maximum amounts of notes payable at any month-end during the year...........	$45,300	$53,975	$62,600			

* Amounts represent average daily face amounts of notes. Weighted average interest rates are computed by dividing such amounts into the aggregate related interest expense.

At December 31, 1991, the Company had an unused line of credit balance of $36,280,000 with an affiliate, Bell Atlantic Network Funding Corporation (See Note 11).

(4) ACCOUNTING FOR RESTRUCTURING AND OTHER CHARGES

In 1991, Bell Atlantic and the Company offered a retirement incentive program to eligible management employees electing early retirement. As a result, income before cumulative effect of the change in accounting principle for 1991 was reduced by $1,584,000 for special termination benefits and related restructuring costs. These costs are included as operating expenses in the Statements of Income.

Net income for 1989 was reduced by $4,200,000 as a result of costs associated with special severance and enhanced early retirement programs for management employees, and the consolidation of certain Company facilities. These costs are included as operating expenses in the Statement of Income. In addition, costs associated with the early retirement of debentures reduced net income by $2,863,000.

As a result of labor negotiations completed in 1989, Bell Atlantic established a retiree health care trust for associate employees of the Company. In connection with the establishment of the trust, the Company changed its method of accounting for postretirement health care benefits for these employees from a pay-as-you-go basis to an actuarially determined accrual basis, effective January 1, 1989. This change in accounting reduced net income for 1989 by $3,530,000.

(5) **LEASES**

The Company has entered into both capital and operating leases as lessee for facilities and equipment used in the Company's operations. In 1991, 1990, and 1989, the Company incurred initial capital lease obligations of $47,000, $55,000, and $82,000, respectively.

Total rent expense amounted to $27,081,000 in 1991, $23,674,000 in 1990, and $23,530,000 in 1989.

At December 31, 1991, the aggregate minimum rental commitments under noncancelable leases for the periods shown are as follows:

	Dollars in Thousands	
Years	Capital Leases	Operating Leases
1992	$ 278	$ 2,863
1993	133	2,614
1994	10	1,986
1995	1	1,811
1996	-	1,471
Thereafter	-	6,178
Total	422	$16,923
Less imputed interest and executory costs. . .	58	
Present value of net minimum lease payments .	364	
Less current installments.	166	
Long-term obligation at December 31, 1991. . . .	$ 198	

(6) INCOME TAXES

The components of operating income tax expense are as follows:

(Dollars in Thousands)	Years Ended December 31,		
	1991	1990	1989
Federal:			
Current	$35,531	$35,551	$25,194
Deferred, net	(3,646)	(3,536)	(1,932)
Investment tax credits.	(6,046)	(4,253)	(3,491)
	25,839	27,762	19,771
State:			
Current	9,571	11,865	9,690
Deferred, net	2,639	332	1,961
	12,210	12,197	11,651
Total.	$38,049	$39,959	$31,422

Income tax benefits which relate to non-operating income and expense included in Other Income Miscellaneous-net were $337,000, $491,000, and $131,000, in 1991, 1990, and 1989, respectively. The deferred tax benefit related to the cumulative effect of the change in accounting principle was $46,822 in 1991. The income tax benefit arising from the loss on early extinguishment of debt in 1989 was $1,933,000.

The components of deferred income tax expense (benefits) are as follows:

(Dollars in Thousands)	Years Ended December 31,		
	1991	1990	1989
Accelerated depreciation.	$ (666)	$2,051	$1,446
Employee benefits	(1,340)	(2,026)	(617)
Other, net.	999	(3,229)	(800)
Total.	($1,007)	($3,204)	$ 29

The provision for income taxes varies from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes and cumulative effect of change in accounting principle. The difference is attributable to the following factors:

	Years Ended December 31,		
	1991	1990	1989
Statutory federal income tax rate. . . .	34.0%	34.0%	34.0%
Amortization of investment tax credits .	(4.0)	(3.8)	(4.1)
State income taxes, net of federal income tax benefits	7.6	7.7	8.7
Benefit of rate differential applied to reversing timing differences . . .	(3.3)	(1.9)	(4.8)
Reversal of previously capitalized interest, taxes and payroll-related construction costs.	1.8	1.5	3.4
Prior year federal tax adjustment. . . .	-	-	(3.4)
Other, net	(0.5)	0.6	1.0
Effective income tax rate before cumulative effect of change in accounting principle.	35.6%	38.1%	34.8%

As a result of the adoption, effective January 1, 1988, of the revised USOA prescribed by the FCC, deferred taxes must be provided for interstate ratemaking purposes on all future book/tax timing differences. Prior to 1988, the Company did not record deferred taxes on timing differences for which deferred tax expense was not allowed for ratemaking purposes.

The cumulative net amount of income tax timing differences for which deferred taxes have not been provided pursuant to the ratemaking process amounted to approximately $37,800,000 and $43,206,000 at December 31, 1991 and 1990, respectively. These timing differences principally relate to the allowance for funds used during construction and certain taxes and payroll-related construction costs which were capitalized for financial statement purposes, but were deducted currently for income tax purposes, net of applicable depreciation.

The Financial Accounting Standards Board (FASB), issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (Statement No. 109), in February 1992. The Company will be required to adopt Statement No. 109 by 1993. Statement No. 109 will require the calculation of deferred taxes using the liability method. Under the liability method, deferred tax balances must be adjusted to reflect enacted changes in income tax rates, and deferred taxes must be provided on all book/tax basis differences.

Presently, deferred taxes are recorded at income tax rates that were in effect at the time the related timing difference arose. In addition, regulated companies only record deferred taxes on timing differences which regulators recognize in the ratemaking process. Since regulators have not changed the manner in which these tax effects are treated for ratemaking purposes, when Statement No. 109 is adopted, the income effects of the required adjustments to deferred tax balances will be recorded on the balance sheet as regulatory assets or liabilities in accordance with FASB'S Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation" (Statement No. 71). Absent changes in the regulatory treatment of deferred taxes, there will be no material impact on net income upon adoption of Statement No. 109.

Prior to 1984, the Company was included in AT&T's consolidated federal income tax returns. These returns have been examined by the Internal Revenue Service (IRS), and all issues including the summary assessment issue discussed below, have been settled.

During 1987, the IRS made a summary assessment requiring Bell Atlantic's telephone subsidiaries to pay a total of approximately $65 million in tax and interest related to certain contested issues for the years 1979 and 1980. This payment ($4,500,000 of which was the Company's share) has been recorded as a current deferred charge. In January 1992, the Company was officially notified that the IRS has decided the issues as proposed by Bell Atlantic, and a refund of the summary assessment is expected in 1992.

(7) **EMPLOYEE RETIREMENT BENEFITS**

PENSION PLANS - Substantially all of the Company's management and associate employees are covered under noncontributory multiemployer pension and death benefit retirement plans sponsored by Bell Atlantic and certain of its subsidiaries, including the Company. The pension benefit formula is based on a flat dollar amount per year of service according to job classification under the associate plan and a stated percentage of adjusted career average income under the plans for management employees. The Company's objective in funding the plans is to accumulate funds at a relatively stable rate over participants' working lives so that benefits are fully funded at retirement. Plan assets consist principally of investments in domestic and nondomestic corporate equity securities, U.S. Government and corporate debt securities, and real estate.

Aggregate pension costs for the plans are as follows:

(Dollars in Thousands)	Years ended December 31,		
	1991	1990	1989
Current year cost	$4,697	$4,826	$5,070
Percentage of salaries and wages. .	4.1%	4.5%	4.3%

During 1991, the Company offered a retirement incentive program to eligible management employees electing early retirement. The cost of this program's special termination benefits, which is included in 1991 pension cost, is approximately $229,000. This increase was offset by changes in actuarial assumptions.

The decrease in pension cost from 1989 to 1990 was primarily due to reductions in the number of employees due to restructure and the force management program of 1989, offset by changes in plan provisions, actuarial assumptions, and demographic and investment experience.

Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" (Statement No. 87) requires a comparison of the actuarial present value of projected benefit obligations with the fair value of plan assets, the disclosure of the components of net periodic pension cost and a reconciliation of the funded status of the plans with amounts recorded on the balance sheet. Such disclosures are not presented for the Company because the structure of the Bell Atlantic plans does not allow for the determination of this information on an individual company basis.

The assumed discount rate used to measure the projected benefit obligation was 7.75% at December 31, 1991 and 8.0% at December 31, 1990. The assumed rate of future increases in compensation levels was 5.25% at December 31, 1991 and 1990. The expected long-term rate of return on plan assets was 7.5% for 1991, 1990, and 1989.

The Company has in the past, entered into labor negotiations with the unions representing certain employees and expects to do so in the future. Pension benefits have been included in these negotiations and improvements in benefits have been made from time to time. Additionally, the Company has amended the benefit formula under pension plans maintained for its management employees. Expectations with respect to future amendments to the Company's pension plans have been reflected in determining the Company's pension cost under Statement No. 87.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS - Effective January 1, 1991, the Company has adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," (Statement No. 106). Statement No. 106 requires accrual accounting for all postretirement benefits other than pensions. Under the prescribed accrual method, the Company's obligation for these postretirement benefits is to be fully accrued by the date the employees attain full eligibility for such benefits. Prior to the adoption of Statement No. 106, the cost of health benefits for management retirees was recognized by charging claims to expense as they were incurred. The cost of health benefits for current and future associate retirees was recognized as determined under the aggregate cost actuarial method. The cost of postretirement life insurance benefits was also recognized as determined under the aggregate cost actuarial method.

In conjunction with the adoption of Statement No. 106, for financial reporting purposes, the Company has elected to immediately recognize the accumulated postretirement benefit obligation for current and future retirees, net of the fair value of plan assets and recognized accrued postretirement benefit costs (transition obligation) in the amount of $69,964,000 net of income taxes of $46,822,000. On December 26, 1991, the FCC released an order permitting adoption of Statement No. 106 on or before January 1, 1993. The FCC order permits amortization of the transition obligation over the average remaining service period of active employees for interstate regulatory accounting purposes. Pursuant to Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain types of Regulation," (Statement No. 71) a regulatory asset associated with the recognition of the transition obligation was not recorded because of uncertainties as to the timing and extent of recovery given the Company's assessment of its long-term competitive environment.

Substantially all of the Company's management and associate employees are covered under postretirement health and life insurance benefit plans sponsored by Bell Atlantic and certain of its subsidiaries, including the Company. The determination of postretirement benefit cost for postretirement health benefit plans is based on comprehensive hospital, medical, surgical and dental benefit provisions. The postretirement life insurance benefit formula used in determination of postretirement benefit cost is primarily based on annual basic pay at retirement.

The Company funds for postretirement health benefits for associate employees and postretirement life insurance benefits for associate and management employees. The Company's objective in funding these plans is to accumulate funds at a relatively stable rate over participants' working lives so that benefits are fully funded at retirement. Plan assets consist principally of investments in domestic and nondomestic corporate equity securities, and U.S. Government and corporate debt securities.

In 1991, the aggregate cost of postretirement health and life insurance benefits was $4,824,000.

Statement No. 106 requires a comparison of the actuarial present value of the accumulated postretirement benefit obligation with the fair value of plan assets, the disclosure of the components of the net periodic postretirement benefit cost, and a reconciliation of the funded status of the plans with the amount recorded on the balance sheet. Such disclosures are not presented for the Company because the structure of the Bell Atlantic plans does not allow for the determination of this information on an individual company basis.

The assumed discount rate used to measure the accumulated postretirement benefit obligation was 7.75% at December 31, 1991 and 8.0% at January 1, 1991. The assumed rate of future increases in compensation levels was 5.25% at December 31, 1991. The expected long-term rate of return on plan assets was 7.5% for 1991. The medical cost trend rate in 1991 was approximately 15.0%, grading down to an ultimate rate in 2003 of approximately 5.0%. The dental cost trend rate in 1991 and thereafter is approximately 4.0%.

Certain postretirement benefits other than pensions have been included in labor negotiations described above, and such benefits have been modified from time to time. Additionally, the Company has amended the benefits under postretirement benefit plans maintained for its management employees. Expectations with respect to certain future amendments to the Company's postretirement benefit plans have been reflected in determining the Company's postretirement benefit cost under Statement No. 106.

During 1990 and 1989, the cost of postretirement health care benefits was $8,279,000 and $10,389,000, respectively. In addition, the Company recognized postretirement life insurance benefit cost for 1990 and 1989 in the amounts of $144,000 and $393,000, respectively.

(8) **SUPPLEMENTAL CASH FLOW AND ADDITIONAL FINANCIAL INFORMATION**

	Dollars in Thousands		
	1991	1990	1989
Supplemental cash flow information:			
Interest paid	$23,192	$24,745	$26,049
Income taxes paid	$44,487	$40,905	$37,975
Depreciation as a percentage of average depreciable plant	7.24%	7.43%	7.26%
Amortization of investment tax credits.	$ 6,046	$ 4,253	$ 3,491
Other operating taxes:			
Property	$11,078	$10,826	$10,790
Gross receipts	10,212	8,970	8,441
Other	5,417	4,693	4,811
Total	$26,707	$24,489	$24,042
Interest expense:			
Interest on long-term debt	$21,199	$21,235	$22,303
Interest on note payable to affiliate	1,931	2,926	3,186
Interest on notes payable	-	-	638
Other	224	491	870
Total	$23,354	$24,652	$26,997

For the years ended December 31, 1991, 1990 and 1989, revenues generated from services provided to AT&T, principally network access, billing and collection and sharing of network facilities, comprised approximately 16%, 16%, and 18%, respectively, of total operating revenues.

The Company provides billing and collection services to interexchange carriers (IXCs). To provide these services, the Company and the IXCs enter into contracts under which the Company purchases the related customer accounts receivable. The largest purchaser of this service is AT&T. At December 31, 1991 and 1990, accounts receivable included $4,368,000 and $3,585,000, respectively (net of allowances for uncollectibles), of such receivables purchased from AT&T. Accounts payable included corresponding amounts owed to AT&T for such receivables.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of trade receivables with AT&T, as noted above. Credit risk with respect to other trade receivables is limited due to the large number of customers included in the Company's customer base.

The Company makes certain payments by draft and records such drafts as accounts payable until such time as the banks have presented them for payment. The amounts of such drafts outstanding were $203,000 at December 31, 1991 and $2,952,000 at December 31, 1990. At December 31, 1990, $5,466,000 of negative cash balances were classified as accounts payable.

(9) **QUARTERLY FINANCIAL INFORMATION (UNAUDITED)**

	Dollars in Thousands			
Quarter	Total Operating Revenues	Net Operating Revenues	Income before Cumulative Effect of Change in Accounting Principle	Net Income (Loss)
1991				
1st.	$137,838	$ 37,353	$ 20,166	($50,066)
2nd.	138,621	36,194	19,401	19,132
3rd.	136,745	35,329	18,535	18,265
4th.	136,426	20,627	10,169	10,976
Total	$549,630	$129,503	$ 68,271	($ 1,693)
1990				
1st.	$132,794	$ 33,282	$ 17,221	$ 17,221
2nd.	135,152	33,773	17,482	17,482
3rd.	135,066	30,867	15,667	15,667
4th.	138,003	30,103	13,727	13,727
Total	$541,015	$128,025	$ 64,097	$ 64,097

Results of operations for the first three quarters of 1991 have been restated for the effect of the adoption of Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions," (Note 7). As a result of the restatement, operating revenue decreased $447,000, $448,000, and $450,000, and income before cumulative effect of change in accounting principle decreased $268,000, $269,000, and $270,000, for the quarters ended March 31, June 30, and September 30, respectively.

(10) **LITIGATION AND CONTINGENCIES**

The Company is a party to antitrust actions and various other claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, any monetary liability or financial impact to which the Company might be subject after final adjudication or settlement of these matters would not be material to the Company's financial position.

(11) **TRANSACTIONS WITH AFFILIATES**

The Company has contractual arrangements with an affiliated company, Bell Atlantic Network Services, Inc. (NSI), for the provision of various centralized corporate, administrative, planning, financial and other services. These arrangements serve to fulfill the common needs of Bell Atlantic's operating telephone companies on a centralized basis rather than duplicate efforts in each company.

In connection with these services, the Company recognized approximately $79,442,000, $70,709,000, and $56,979,000 in operating costs for the years ended December 31, 1991, 1990 and 1989, respectively. In 1991, these charges included $2,086,000, associated with NSI's adoption of Statement No. 106. In addition, the Company recognized $21,089,000, representing the Company's proportionate share of NSI's accrued transition obligation under Statement No. 106. Included in these costs were $7,601,000 in 1991, $7,045,000 in 1990, and $6,788,000 in 1989, billed to NSI by Bell Communications Research, Inc., another affiliated company owned jointly by the seven regional holding companies.

The Company has a contractual agreement with another affiliated company, Bell Atlantic Network Funding Corporation (BANFC) for the provision of short-term financing and cash management services. BANFC issues commercial paper and secures bank loans to fund the working capital requirements of the operating telephone companies and NSI, and invests funds in temporary investments on their behalf. In connection with this arrangement, the Company recognized $1,931,000, $2,926,000 and $3,186,000 in interest expense in 1991, 1990 and 1989, respectively.

The Company received $4,811,000 in rent revenue from and paid $10,579,000 in rent expense to affiliated companies as a result of various intercompany billing arrangements in 1991. These amounts were $4,030,000 and $7,461,000, respectively in 1990, and $3,226,000 and $7,739,000, respectively in 1989.

On January 1, 1991 the Company transferred all assets of Bell Atlantic Knowledge Systems, Inc. (BAKS), a wholly owned subsidiary of the Company, to Bell Atlantic Corporation. This resulted in an increase in the Company's equity of $3,472,000.

On January 28, 1992, the Company declared a dividend in the amount of $13,400,000 payable to Bell Atlantic on January 31, 1992.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF WEST VIRGINIA

SCHEDULE V - PLANT, PROPERTY AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1991

(Dollars in Thousands)

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at Beginning of Period	Additions at Cost -Note (a)	Retirements -Note (b)	Other Changes -Note (d)	Balance at End of Period
Land	$ 6,012	$ (3)	$ -	$ -	$ 6,009
Buildings	98,268	5,005	939	-	102,334
Central Office Equipment	505,268	67,434	65,937	-	506,765
Telephone Instruments and Related Equipment	17,670	1,867	602	-	18,935
Pole Lines	95,103	4,387	1,971	-	97,519
Cable and Wiring	639,919	25,993	16,779	-	649,133
Conduit	35,085	1,653	97	-	36,641
Office Equipment and Furniture	36,069	3,091	2,311	(2,454)	34,395
Vehicles and Other Work Equipment	31,491	3,196	2,301	-	32,386
Other	5,681	385	657	-	5,409
Total In Service - Note (c)	1,470,566	113,008	91,594	(2,454)	1,489,526
Plant Under Construction	14,412	2,158	-	-	16,570
Other	476	3	15	-	464
Total Plant, Property and Equipment	$1,485,454	$115,169	$91,609	$ (2,454)	$1,506,560

The notes on page F-23 are an integral part of this schedule.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF WEST VIRGINIA

SCHEDULE V - PLANT, PROPERTY AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1990

(Dollars in Thousands)

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at Beginning of Period	Additions at Cost -Note (a)	Retirements -Note (b)	Other Changes	Balance at End of Period
Land	$ 5,778	$ 229	$ (5)	$ -	$ 6,012
Buildings	92,122	6,935	789	-	98,268
Central Office Equipment	504,265	62,688	61,685	-	505,268
Telephone Instruments and Related Equipment	15,358	2,842	530	-	17,670
Pole Lines	91,874	5,085	1,856	-	95,103
Cable and Wiring	621,823	27,163	9,067	-	639,919
Conduit	31,875	1,812	(1,398)	-	35,085
Office Equipment and Furniture	31,179	7,747	2,857	-	36,069
Vehicles and Other Work Equipment	30,012	4,137	2,658	-	31,491
Other	6,099	(116)	302	-	5,681
Total In Service - Note (c)	1,430,385	118,522	78,341	-	1,470,566
Plant Under Construction	21,966	(7,554)	-	-	14,412
Other	634	(158)	-	-	476
Total Plant, Property and Equipment	$1,452,985	$110,810	$78,341	$ -	$1,485,454

The notes on page F-23 are an integral part of this schedule.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF WEST VIRGINIA

SCHEDULE V - PLANT, PROPERTY AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 1989

(Dollars in Thousands)

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
Classification	Balance at Beginning of Period	Additions at Cost -Note (a)	Retirements -Note (b)	Other Changes	Balance at End of Period
Land	$ 5,786	$ 19	$ 27	$ -	$ 5,778
Buildings	88,502	4,543	923	-	92,122
Central Office Equipment	502,312	60,715	58,762	-	504,265
Telephone Instruments and Related Equipment	14,385	2,549	1,576	-	15,358
Pole Lines	87,686	5,363	1,175	-	91,874
Cable and Wiring	603,290	25,398	6,865	-	621,823
Conduit	31,837	1,577	1,539	-	31,875
Office Equipment and Furniture	29,605	2,013	439	-	31,179
Vehicles and Other Work Equipment	28,120	4,129	2,237	-	30,012
Other	4,840	1,317	58	-	6,099
Total In Service - Note (c)	1,396,363	107,623	73,601	-	1,430,385
Plant Under Construction	21,416	550	-	-	21,966
Other	516	118	-	-	634
Total Plant, Property and Equipment	$1,418,295	$108,291	$73,601	$ -	$1,452,985

The notes on page F-23 are an integral part of this schedule.